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UNCLAS ANKARA 006234

SIPDIS

DEPT FOR EB AND EUR/SE DEPT PLEASE PASS USTR FOR LERRION USDOC FOR ITA/MAC/DDEFALCO

E.O. 12958: N/A TAGS: ETRD TU SUBJECT: Implementation of Mandatory Importers

Associations Postponed

Ref: Ankara 3240

Sensitive but Unclassified. Please Handle Accordingly.

- $\underline{\mbox{\bf 11.}}$  (SBU) Summary: GOT plans to create mandatory membership organizations for importers have not been implemented, apparently due to widespread business opposition. The GOT is considering an alternate kind of organization, a joint (mandatory membership) foreign trade association including both importers and exporters. End Summary.
- 12. (SBU) Reftel reported GOT plans to create mandatory membership organizations for importers, ostensibly for the purposes of improving collection of statistical information, combating smuggling and the informal economy, and supporting importers competing in international trade. A number of business groups opposed the measure, fearing it could impede trade by interfering in pricing and quality standards for imported goods, and by imposing extra documentary requirements and fees on imports as well as membership fees on importing companies.
- 13. (SBU) Naci Akin, Director of Business Development and Investment Consultancy, at the Turkish Union of Chambers (TOBB) told us October 1 that all major business organizations are against the creation of importers' unions, and that TOBB Chair Hisarciklioglu continues to debate this issue with State Minister Tuzmen. Akin pointed out that these bodies were supposed to have been established by July 2004, but they have not been implemented yet. Mustafa Alper, Director General of the Foreign Investors Association (YASED) told us that business has succeeded in blocking full implementation of the associations, at least for now, though some steps, such as the nomination of a secretary general, have been taken.
- 14. (SBU) Murat Yapici, the Foreign Trade
  Undersecretariat's (FT) Deputy Director General for
  Imports, told Econoff October 25 that several steps toward forming the importers associations have taken place, but the plan has not been fully implemented. Seven sectoral importers associations were created, leadership boards were selected and a provisional USD 2 million budget was set. However, the leadership for a national structure has not been chosen. Yapici told us that member companies "were not ready", and cited problems in information technology systems and other administrative issues.
- $\P5$ . (SBU) Yapici told us that FT is considering an alternate structure merging importers' and exporters' unions into a single "foreign trade association". The would have the advantage of using the resources and infrastructure already in place at TIM, the Turkish Exporters' Assembly. However, no firm decisions have been taken on this subject, and he implied that there was no definite timetable for further action.
- 16. (SBU) Comment: It appears that business opposition has succeeded in blocking the importers' associations for the time being. Given the statist and interventionist mentality of many Turkish officials and the temptation to use nontariff measures to put a brake on imports, the GOT may well return to this idea in the future. Embassy will continue to follow this issue and report impact on trade, if any. Edelman